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TAGS: [PGOV](#) [PINR](#) [BR](#)
SUBJECT: LULA'S RECOVERY IN POLLS EXPOSES PSDB QUANDARY

Ref: (A) BRASILIA 353 and PREVIOUS; (B) SAO PAULO 73

[1](#)1. (U) SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY.

SUMMARY

[1](#)2. (U) Recent polls showing President Lula recovering lost popularity have sounded alarms within the opposition Brazilian Social Democracy Party (PSDB), which is struggling to nominate a candidate to oppose him in the October presidential election. Party chieftains have been resistant to calls for a primary or some other formal decision-making mechanism, fueling a perception of an elitist, undemocratic leadership. Sniping between the two pre-candidates, Sao Paulo Mayor Jose Serra and Sao Paulo State Governor Geraldo Alckmin, has grown more heated over the past week. At this point, even the question of when a decision will be made remains uncertain. The PSDB's mishandling of what normally would be considered a major strength - two distinguished, highly qualified contenders - calls into question its organizational ability and political acumen for mounting a strong challenge to Lula. While there is time for the party to recover from their recent missteps, it is not yet clear they've figured out how to do it. End Summary.

POLLS OVERSHADOW PSDB EVENT

[1](#)3. (U) On February 16, the PSDB hosted a seminar in Sao Paulo, calling together party economists and office-holders to discuss economic initiatives and programs to be used in this year's election campaign. The two pre-candidates, Jose Serra and Geraldo Alckmin, were present, as were the party's three "cardinals" or king-makers, former President Fernando Henrique Cardoso (FHC), Senator from Ceara (and party president) Tasso Jereissati, and Minas Gerais Governor Aécio Neves, along with a host of other PSDB luminaries. The event was to some extent overshadowed, however, by the February 14 release of a CNT-Sensus poll showing that President Lula could defeat either PSDB candidate comfortably (ref A). Following on a Datafolha poll released in early February, the latest numbers appeared to confirm a

Lula comeback from a deep hole caused by the political scandal.
(Note: Yet another Datafolha poll released February 22 reconfirmed
Lula's lead. End note.)

DESPERATELY SEEKING PARTY UNITY

14. (U) While some PSDB members questioned the Sensus poll's validity, others quickly recognized the challenge posed by a resurgent Lula and the need for party unity to confront it. Many wanted to rally around Serra, but he has still not declared his candidacy and has indicated he will not decide until March (ref B). Observers agree he wants to run, even though it means resigning with almost three years remaining in his term as Mayor, but that he wants to be acclaimed the party's choice and guaranteed its full support. The leadership has been generally supportive of Serra on the strength of earlier polls showing him defeating Lula, but it cannot create consensus where it does not exist. The impression that the nomination is Serra's for the asking was strengthened by the king-makers' February 16 dinner in an upscale Sao Paulo restaurant, at which Serra but not Alckmin was present. Alckmin, however, who in January declared his intention to resign the office of Governor by March 31 as required by electoral law, has refused to disavow his candidacy, arguing that the party should hold a primary or some other formal process to make its choice.

15. (SBU) Up to now, party insiders have intimated that the three king-makers (or, in some versions, FHC by himself) will choose the candidate following private internal consultations. Now the party is belatedly recognizing that such a process may make it look anachronistic, and non-transparent in Brazil's maturing democracy, in which other major parties, such as the Brazilian Democratic

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Movement Party (PMDB) and Lula's Workers' Party (Partido dos Trabalhadores - PT), are planning to hold primaries. Some prominent "tucanos" (as PSDB members are called, after the party symbol) - for example, Goias State Governor Marconi Perillo and Curitiba Mayor Jose Alberto Richa - have begun to complain about being excluded from the process. Struggling to control the damage, the triumvirate reportedly met February 21 with Alckmin and indicated that, though they still don't see the need for a primary, they will not make a decision until March 10-15, after listening to the views of the party's governors, federal deputies, and senators.

AS THE CANDIDATES BICKER

16. (SBU) Judging by the intensified rhetoric, the contenders themselves may also be feeling the pressure. Serra has reportedly characterized Alckmin as "intransigent" for his refusal to step aside, suggesting he should follow the statesmanlike example of the late Sao Paulo Governor (1983-87) Andre Franco Montoro, who in 1985, despite being considered the "natural" candidate, stepped aside to allow Tancredo Neves to run in the indirect presidential election that led to restoration of Brazilian democracy. In invoking Franco Montoro, Serra is implicitly mocking those who have called Alckmin the "natural" PSDB candidate, as well as the Alckmin himself for wrapping himself in the mantle of the late Governor (1995-2001) and PSDB co-founder Mario Covas, whom he served for six years as Lieutenant Governor. (Some Alckmin supporters told us they are planning to take advantage of upcoming observation of the fifth anniversary of Covas's death to demonstrate the strength of Alckmin's support.) For his part, the normally even-tempered, taciturn Alckmin has shown increasing irritation at insinuations that he is an "adventurer" and a Lone Ranger when in fact he is, as he points out, his party's only declared candidate. Nonetheless, Serra and the PSDB leadership evidently wish he would just go away.

COMMENT

17. (SBU) Since the political scandal broke in May 2005, the PSDB has

been looking forward to these elections as a chance to score major gains over a weakened PT. The embarrassment of riches constituted by having too many qualified candidates is the sort of problem most parties would give an arm and a leg for, and it places the PSDB in sharp contrast with the PT, which has no one but Lula. Yet the PSDB is clearly at a loss as to how to decide the issue, and the more competitive the race with Lula looks, the dithering is starting to inflict damage on the party's campaign before it even gets under way. Some party faithful are grumbling that either Serra or Alckmin would be fine with them, but they wish the party would decide and move on, because the indecision is hurting them.

18. (SBU) At this point, a primary is not a practical notion, if only because of the difficulty of organizing one from scratch before the March 31 deadline by which Serra and Alckmin have to resign if they are going to run. Even Alckmin may not really want a primary; more likely, his calling for one is a tactic to demonstrate he is a serious candidate with real support among the party's base. But the party does need to open up its decision-making process, and Alckmin hopes that consultations among professional party politicians will show that his support is broader than previously suspected. There is still time for the PSDB to resolve this problem, close ranks, and repair the damage, but it's not yet clear they've figured out how to do it. End comment.

19. (U) This cable was cleared/coordinated with Embassy Brasilia.

McMullen